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HON. ^{Sir} GEO. W. ^{William} ROSS

TREASURER OF THE PROVINCE OF ONTARIO

DELIVERED ON THE 29TH APRIL, 1903,

IN THE

LEGISLATIVE ASSEMBLY OF ONTARIO

ON MOVING THE HOUSE INTO COMMITTEE OF SUPPLY.



TORONTO :
1903.

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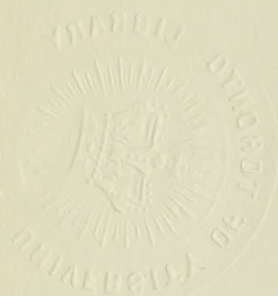
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OF

HON. GEO. W. ROSS,

PREMIER AND PROVINCIAL TREASURER.

LEGISLATIVE ASSEMBLY, TORONTO.

Wednesday, April 29, 1903.

Hon. Mr. Ross, in moving that the House go into Committee of Supply, said :—

MR. SPEAKER :—When I made my financial statement last year I estimated the receipts for the year at \$4,075,872.80. The financial condition of the Province has been more prosperous than then expected, so that our actual receipts amounted to \$4,292,021.33, or an excess over our expectations amounting to \$216,158.53. This increase suggests a condition of prosperity throughout the Province which is very gratifying. The estimated expenditure, not including statutory charges, was \$4,196,025.56, while the actual expenditure was \$4,064,663.42, or less than the estimate (not including statutory charges) by \$180,362.14. It has been the practice, although I think perhaps it would be well to discontinue it, not to include in the estimates submitted to the House charges created by statute. Of course they have to be met, and the House is in danger of being misled when on consulting the public accounts it is found that the estimates have been largely increased. For instance, besides the amount brought down in the estimates of last year, and in that respect we followed the practice of the previous year, we paid for drainage and tile debentures \$1,625.12, we paid for railway aid certificates \$126,177.11, we paid in annuities \$102,900, we paid for the university \$40,444.75, for common school lands \$9,193.18, or a total of \$279,340.16. These sums, with the estimated expenditure, brought the actual expenditure to

\$4,345,003.58, or \$52,982.25 in excess of the actual revenue. The year closed with a bank balance of \$1,415,510.74—(applause)—a bank balance which has improved since the closing of the year, for to-day the cash in the bank to the credit of the Province was \$1,621,292. (Applause.) So that we have met all the expenditure of the year, and have not drawn on our deposits in the bank, except to a very small extent, and we are now well on to the middle of the year with over a million and a half to our credit.

In some departments of the revenue there was a decline as compared with 1901. For instance, taking the whole receipts of 1902 as compared with 1901, there was a shrinkage of \$177,899.17. That shrinkage mainly arose in connection with two items: first, the receipts from Crown lands, and secondly from succession duties. In Crown lands the shrinkage was owing to the small amount paid to the treasury for bonuses on timber limits. The bonuses paid or to be paid as the result of timber sales had been received the previous year. Taking the receipts from the Crown lands as a whole, however—and the main portion of this comes from dues on timber and lumber—the income was larger than for many years. The total shrinkage, however, as compared with 1901 was \$133,146.19. Then there was a shrinkage in succession duties. The year 1901 brought to the treasury the largest income from that source ever received, \$366,581.96. Last year the income was \$236,169.57, or less by \$130,412.42. Of course that is not a matter under human control, and we have got to accept the inevitable. During the current year the receipts from this source, as the estimates will show, are expected to be somewhat larger than the previous year. In these items there has been a decline in the revenue—not a very serious decline by any means. In other items there have been increases.

For instance, in the Provincial Secretary's Department the revenue has increased from \$88,157.09 to \$108,184.91 or an increase of over \$20,000. This arose very largely from the number of charters issued, and the constant stream of charters which pass through that department indicates an extensive growing wealth in the country, although I think this remark was disputed by the member for South Lanark (Mr. Matheson) last year. It indicates perhaps a change in the mode of doing business from the individuals

and partnerships of thirty years ago to the joint stock company, limited, of the present day. As an evidence of this I may say that in 1902 520 charters were issued, representing a capital of \$145,356,000. Thirty-four companies increased their capital by \$7,000,000. I think that last item may be considered as an essential evidence of the growth of the business of the country. Seventy-one extra Provincial companies applied for licenses, showing that companies chartered outside the Province are seeking the markets of Ontario. Up to date, this year already, 187 charters have been granted, representing a capital of \$64,940,000, and twenty companies have increased their capital by \$2,000,000, and sixteen extra Provincial companies have applied for the privilege of doing business in Ontario. It is impossible for one to accurately say what this means. It may mean a large accumulation of wealth outside seeking investment here. It certainly does mean a certain amount of confidence in the business of the country and in its future, and in regard to that, if these deductions are correct they are very encouraging as regards the future of the Province.

There was also an increase in the revenue from public institutions. In 1901 we received \$97,735.75 and last year we received \$122,855.13 an increase of over \$25,000. That arises from the fact that a greater number of the inmates of our institutions are now paying for their maintenance than was the case some years ago, and there is perhaps a more rigid supervision of the capabilities of the patients to pay. There was an increase of \$8,469.17 in our supplementary revenue, owing to the growth of corporation taxes, and an increase of \$4,253.46 in fisheries, owing to the extension of the fishery license system to parts of the Province heretofore not under license.

There has been also an increase in the expenditure of 1902 on some of the more important items, which I will briefly name and pass on. In education there was an increase of \$22,715.82, public institutions maintenance \$31,234.96, in agriculture \$24,480.38, hospitals and charities \$23,240.69, colonization roads \$57,444.63, Crown Lands, \$46,061.20. I mention these increases as they are all or nearly all on the line of expansion, on the line of opening up and developing some industry, or showing the charitable disposition of the people such as the increase to hospitals and charities.

It is to be noticed that the expenditure of the Province has increased in the last few years. I suppose honourable gentlemen will point to that as an evidence of the extravagance of the Government. Expenditure is no proof of extravagance. The real test is in the objects of that expenditure. The growth of the country necessitates an increased expenditure in many directions, as I will show presently, and the proof of the economy of the administration, its wisdom and care are to be found not in the increased amounts spent but in the uses to which the expenditure has been applied. Take for instance the first item in our estimates in which there has been a very slight increase, civil government, where the increase is \$10,283. That is a very small sum, having regard to the extensive civil service of the Province, as it simply means an increase of 3 1-2 percent in the aggregate salaries for the year—a very slight increase, in proportion to the increase of salaries elsewhere and to the cost of living, and I am prepared to say that if any other service, engaged either in transportation or in general merchandise, is compared with the civil service of Ontario, that it would be found that a larger increase than 3 1-2 per cent has taken place.

The estimated expenditure for 1903 is \$4,537,428.26. The estimated revenue is \$4,403,372.80 or \$134,000 less than the estimated expenditure. It is not the first time I think that our estimated revenue was less than the estimated expenditure and yet the balance at the end of the year was on the right side. Large sums of money are sometimes voted for public works and buildings which are not wholly expended. We take the vote however having regard to the public service as it appears at the time, and the money will be required if the works proposed are completed. With regard to the increases in civil government I might point out what Hon. gentlemen have no doubt noticed, that we have transferred to civil government several items that were heretofore classified under Miscellaneous. I think in the discussion of the estimates last year it was pointed out that there are certain services charged under the head of miscellaneous that might be more appropriately placed under the head of Civil Government. For instance Fisheries, Game and the Labor Bureau, involving an expenditure of \$12,720 were on this account transferred from Miscellaneous to

Public Works. The charges of the Succession Duty Office were transferred from Miscellaneous to the Treasury Department. Factory inspection was transferred to the Department of Agriculture, and so with the salary of the Municipal Auditor, these transfers in all amounting to \$26,070. That, however, does not effect the percentage of the increase between 1902 and this year, as these items are included in both years for purposes of comparison. This arrangement of the various sub-departments of the public service I hope will meet with the approval of both sides of the House.

In Legislation, there is a small increase of \$6,250. This is necessary on account of the increased membership of the House. We have six new Members, whose indemnity and travelling expenses take \$5,000. The Legislative Post Office has been rearranged and involves an additional expense of \$700. The Administration of Justice is increased by \$4,627.05 owing to the growth of the newer districts, and is made up of various small items as set forth in the detailed Estimates.

In Education the Estimates, as compared with last year, are increased from \$876,567.49 to \$922,241.05, or an increase of \$45,673.56. This is a very substantial increase, but if one looks over the vast field covered by the Education Department and the important interests calling for its assistance, one can hardly expect the increase to be any less, and it is only with the greatest difficulty that the demands upon the Treasury in connection with the educational growth of the country can be kept within bounds at all. For instance, owing to the growth of public and separate schools, an increase of \$7,906.94 is asked for. New schools in the newer districts are opened constantly, each of which calls for a grant of \$100, and in some of the large centres of population there are increases also, involving additional expenditures. New inspectors are being appointed in connection with separate and public schools. So that, as it is the desire of the country, and we believe it is the desire of the House to maintain in the highest degree the efficiency of the public schools it is inevitable that the expenses in that direction should continue to increase. Then there is an increase for the maintenance of high schools of \$6,800. That arises from the establishment of new schools at Rat Portage, North Bay and the Sault. It is the desire of the Government that

the children in the outlying districts should have equal facilities for superior education with the children resident in the more populous and more central districts. A child living in the remotest part of the Province is entitled to receive as complete an education as the child in Toronto or any other centre. But besides the increased grants hon. gentlemen will have noticed a small increase in the appropriation for military instruction in connection with the high schools. Last year we voted \$1,200 for this purpose. It is proposed to take \$2,500 this year. Corps of military cadets have been organized in many high schools, where boys are receiving military drill—a most valuable part of their physical education, and perhaps of their moral education as well. This method of training our boys for future service if called upon is regarded by military authorities as of the most valuable character. It is done without interfering with their studies ; it is done when they are susceptible to physical culture, and we have decided to encourage it within reasonable limits.

Then we have an increase in connection with the School of Practical Science, the growth of which has exceeded all expectations. Not only has the attendance increased while it was the only school of science in the Province, but it still seems to flourish in the face of the competition of McGill in Montreal and whatever competition may arise from the establishment of the Mining School at Kingston. For instance, in 1895 the attendance of students was 101 ; in 1902, seven years later, the attendance was 335, and as hon. gentlemen who have noticed the public press have learned, the success of the graduates of the School of Science has been marked. They find employment on the largest engineering undertakings in this country, and many of them occupy foremost positions in connection with large engineering undertakings in the United States. This change in the course of education must be gratifying to every member of the House. The time, when the learned professions absorbed all the talent of the country seems to have passed away, and the attention of young Ontario is being directed more to the productive professions and to enterprises of various kinds which add to the wealth of the country. Following out that tendency we are erecting new buildings for the School of Science, the vote for which this year is \$224,000. When these

buildings are completed I think they will be as perfect in their details, and appliances for the study of Civil Engineering as any school of the kind upon the continent. Every feature of the best schools in the United States has been examined and everything that pertains to a first-class school of science has been duly considered by the Principal of the School, by the Architect of the Department, and by others who are experts in such work. It is also proposed to extend the mining department of the school, and a separate building for that purpose is being erected. So that, in addition to land surveying, civil engineering, electrical engineering and hydraulics, and all that pertains to a first-class school of science, you will have the best facilities for the study of mining engineering so rapidly growing into greater importance in Canada. The fees from the students will meet almost half the current expenses of the school. The fees for 1902 amounted to \$18,701.35, the annual cost of the school being about \$39,000. It is the desire of the Government not to make these fees excessive. They are higher than the fees of the Provincial University, perhaps about half the fees of McGill Engineering School, but it is desirable that a course in engineering should not be much more expensive than a course in Arts.

Then the Educational Department has been doing something to promote the establishment of public libraries. We have now 477 public libraries in Ontario, and between 2,000,000 and 3,000,000 books are taken annually from our public libraries for home reading. What the probable effect of that will be in increasing the intelligence, in brightening the life and adding to the efficiency of that great asset, the young men and women of the country, it is impossible to foresee. (Applause.) The Minister of Education two or three years ago asked for a small vote to establish libraries in the mining and lumber camps, and that vote was readily given. He proposes doubling that vote this year. I think that, too, is an expenditure of public money that will commend itself to every hon. gentleman in this House. By this means I believe it will be found that the morale of our mining camps is materially improved, and that the miner and lumberman will find them helpful in fitting themselves better for the duties of active citizenship when their services in camp have come to an end.

I have mentioned two lines upon which our education has been moving, the development of science and the circulation of good literature. It is proposed to increase its efficiency in another direction. We took last year \$15,000 for technical education, we ask this year \$20,000 for a similar purpose. There has been a great movement in the United States for the improvement of the technical education of the artisan classes. In Germany, France and Belgium a similar movement was started thirty years ago. Great Britain has also been greatly stirred by the keen competition of foreign countries in industrial pursuits. Human progress depends still upon the intelligence of the human mind and that intelligence can only be acquired for industrial purposes in technical schools. Toronto has done well in the purchase of a large building for this purpose. The City of Brantford has erected a technical school apart from the other departments of teaching. Stratford has done likewise. The true solution of the whole question of technical education will be found in the establishment of technical schools apart from public and high schools, where that branch of education will receive the recognition to which it is entitled. And it is only when we respond to this demand that technical education will be as efficient as we desire it. Of course its foundation must be laid in our public schools, and in the high schools through manual training, but the highest results can only be attained by the establishment of buildings specially fitted for the purpose. I am sure hon. gentlemen will be glad to know that the demands for teachers, capable of filling any department in a technical school, is growing, and that the attendance at the technical schools is growing also, and that anything we can do within our means to fit our artisans for competing with the artisans of the world, to make them more skilful, to improve their taste, to make them better designers, to cultivate originality, is simply to address ourselves to the great problem of securing for Ontario and maintaining in Ontario that supremacy in manufactures which I think Ontario ought to maintain. Providence has fitted us for being the great manufacturing Province of the Dominion. Our climate is well adapted for all manufacturing purposes; we have water powers, we have an intelligent population, we have nearly all the raw material necessary for the great

industries of the country. (Applause.) It behooves us to see that we make no mere venture in this matter by laying the foundation carelessly, but by improving the intelligence of those upon whom the prosperity of our industries depends. The success of manufacturers in Great Britain did not come from capital alone. France has maintained her place as a producer of the finest wares and the finest quality of ornamental and fancy goods. She has not secured that without an effort. The skill and the taste cultivated in her public schools and seminaries have given her this supremacy, and in whatever line we want to excel we can only obtain it by the application of intelligence and by education. I need not dwell any further on this feature of our school system, or on the pleasure with which I expect the House shall concur in the vote for that purpose.

The grant to the University is increased from the fact that we are assuming the deficit of this year as well as of last year. The deficit for the financial year 1901-2 was \$10,355. The deficit for the financial year 1902-3 is estimated at \$18,000. The vote this year amounts to \$65,084.24. That, too, is a sum of money which no one will grudge. The increased attendance in the various departments of the University, and the increased influence which graduates are obtaining because of their culture and the honor which they bring to the country in which they were born, are all inducements to every citizen and to every member of this House to endeavor to promote, by every means in his power, the higher education of the classes. From them we get members of the learned professions who are likely to lead in professional life. From them we get the main supply of our high school teachers and ultimately, too, from the culture of the University we get the finished article for our public schools. The large increase of \$45,000 for education will, I have no doubt, be given very cheerfully.

There is also an increase in the maintenance of Public institutions from \$870,467 to \$920,915. There is a slight increase in the number of patients, but the main cause for the expenditure is the cost of maintenance. The cost of coal and supplies are higher—that accounts largely for the increased expenditure. There is an increase of \$15,094 for agriculture, the estimates last year were

\$267,826. It is proposed to ask this year for \$282,920. On the face of it that is a very small increase, having regard to the area of the Province and to the varied departments of wealth and economics covered by the work of the Agricultural College and the Agricultural Department. For instance, two years ago, the Minister of Agriculture undertook to give special instructions in dairying, butter-making and cheese-making. He asks this year to be allowed to extend these facilities, and consequently for an increase of \$2,000 in the amount of money expended for that purpose, that is, to increase the vote from \$4,000 to \$6,000. That vote I feel will be readily granted. The large amount of dairy produce exported from Ontario to the old world and its superiority are in themselves a sufficient incentive to be generous to the Department of Agriculture. Already we send \$3,000,000 or \$4,000,000 worth of butter and \$19,000,000 worth of cheese to the markets of Britain, or of cheese more than the whole of the United States, and as to quality, nearly equal to the best products of the world. Now, it is evident to anybody who has studied the British market that only an article of the first quality will make its way successfully, and I am convinced that Canada can hold her place in the markets of the world only by the best instruction that can be afforded; by the best appliances and by the greatest care in every detail in the production of butter and cheese. A failure would be a great calamity, and so far as I am concerned I am always ready so far as our means will allow, to increase the grants for instruction in any department of agriculture that will extend our markets in the old world or help to improve the market as far as at present secured.

The Minister of Agriculture is making a new departure in the establishment of Farmers' Institutes for women. I think in 1885 Farmers' Institutes were first established, and there is no doubt about the success and value of their work. I do not think there is one single thing that has done so much for agriculture as the establishment of Farmers' Institutes, and it is a credit to the farmers themselves who have conducted the lectures that they are so successful. The lecturers employed are of a high order. They are generally men with a thorough practical knowledge of farming, and as a result these meetings are profitable. But besides the

study of the farm proper there is another side, and that is the household, where the women reign supreme, and the Minister has acted wisely, in my judgment, in providing for instruction in domestic economy. That means the management of the household in regard to cookery, and of such products of the farm as constitute to the health and sustenance of farmers and their families.

The Department of Agriculture is also endeavoring to secure trained judges for all the agricultural fairs. Everybody knows that the common way of looking at any animal or product of the farm by a man who has no intimate or correct standard of its value is of very little worth, and any number of animals may be adjudged worthy of first prize, whereas in the presence of a competent skilled judge they might be dismissed without any recognition at all. Short courses have been established to train men to be accurate judges, and that is, not simply to look on and say that this article is better than another, but they are expected to give reasons for such decision. So that, when an exhibitor fails he can see what improvements are necessary if he is to win a prize another year. For this purpose we are taking a vote of \$3,000.

We are also adding very largely to the efficiency, if money will do it, of the Agricultural College. The vote last year was \$53,999. This year it is \$68,309, and here I might add one observation in regard to the College at Guelph, and that is to refer to its remarkable growth and the wide field of scientific investigation now being covered. In 1897 the total attendance of students was 242, and then it was considered to be a pretty full college and calculated to exercise a wide influence over the agricultural interests of the country. In 1902 the following is a report of the number :—In the general course 290 ; dairy courses 109 ; special course 25 ; short course in stock and grain judging 220 ; poultry raising 28 ; domestic science 96 : or a total of 768 at against 242 five years ago. That is a remarkable growth, and it is delightful to notice it, for it shows the increased interest which the farmer himself takes in the education of his sons, and it shows the appreciation of an institution which for many years had to fight for its existence. We are spending a good deal of money in fitting out a library and laboratory in order to enable the students to make experiments in

a scientific way. Farming is not a rule of thumb but a matter of investigation and skill, and if the farmers of this country are increasing rapidly in wealth, I think it is owing very much to the superior intelligence now applied to agriculture as compared with thirty or forty years ago. In this connection I must notice again the generous gift of Sir William Macdonald for the training of farmers' daughters in domestic science and household economy. Sir William's first appropriation for this purpose was \$125,000. When the College authorities came to lay out the buildings they found that sum inadequate, and I think a kindly hint was dropped to Sir William that another \$50,000 would just about supply their wants. The advance was made, and the College authorities are now spending on buildings \$175,000. I think that includes the equipment of one of the buildings, and it is probable this House may be called up to assist in the equipment of the other. We shall then have at Guelph a College of household economy and science which will give the farmers' daughters the education they need as fully and efficiently as the farmers' sons get in the Agricultural College, and Sir W. C. Macdonald's benefactions should be held in grateful remembrance by every person in the Province.

Passing to the next large item of expenditure, hospitals and charities, the vote this year is \$225,647.88, an increase of \$8,159.99. This increase arises mainly from the establishment of two additional Houses of Refuge last year, one in Lanark and the other in Ontario County, each receiving the statutory grant of \$4,000. I would like very much if the House would soon come to the conclusion that every county in Ontario should, as a matter of obligation, establish a House of Refuge. (Applause). I think we have reached the time when we can assume, that as about twenty counties have established such houses voluntarily, the remainder should be put under a statutory obligation to meet the demand of public charity in this respect. The Provincial Secretary has a bill—I don't know whether it is favored generally—by which some gentle pressure is intended to be brought to bear upon County Councils with this object in view.

Mr. MATHESON (S. Lanark): Was the vote for the Houses of Refuge made this year or last year?

Mr. ROSS: It will be in the estimates of this year.

There are one or two other features of our expenditure which I propose dwelling on for a few moments. I have referred to expenditures in connection with education, hospitals and charities, public institutions, etc. We come now to break ground in New Ontario, and there we have to meet conditions requiring the expenditure of considerable money. For instance, by the act granting 160 acres of land to the veterans of '66 and other years there is a demand for extensive surveys, and we are increasing the grant for that purpose by about \$80,000 this year, or from \$20,000 as it was last year, to \$100,000. The Crown Lands Department propose surveying 53 new townships, of which five will be in the Wabigoon District, four in the Rainy River Valley, and 44 in the Temiskaming District, throwing open for settlement about a million and a quarter acres of land. The land in the Wabigoon District is along the Canadian Pacific Railway, that in the Rainy River Valley is to the north of the present settlement—about 15 or 20 miles north of the Canadian Northern Railway—and that in the Temiskaming District to the south and west of Lake Abitibi, and about 60 miles to the north of the head of Lake Temiskaming. It is still within the great clay belt, between latitude $48\frac{1}{2}$ and $49\frac{1}{2}$, so that its position is as favorable as that of North Dakota and southern Manitoba. Winnipeg is in latitude $50\frac{1}{2}$, so that all the surveys of this year will still be within the great wheat belt, and from the information we have, all the products of Ontario will grow there as well as here, with the exception perhaps of the standard fruits. Last year there were 1,400 locations, settling 224,000 acres. Seven hundred heads of families went into that country, and 500 heads of families into the Rainy River District. So that it is necessary that surveys should be prosecuted with the utmost vigor, and as these surveys are expensive we are asking for a considerable sum of money.

Then following settlement comes colonization roads. Last year there were 200 miles of colonization roads built and 748 miles repaired at different parts of New Ontario, and that good work will be continued. There were 60 miles of roads built in the Temiskaming country and 25 miles repaired. It is now proposed to extend these roads north and west through the fertile belt 40 miles and to confine the efforts of the Public Works Department

mainly to trunk lines in the new districts. The plan in the Rainy River District is to build at right angles to the Canadian Northern Railway six miles apart. There will be a similar plan in the Temiskaming District, so that when the country is settled the settlers will make their own cross-roads, the Province making the great thoroughfares and thus take the settlers into the fertile parts of that district.

Our roads, besides serving the purpose of settlement are also intended to serve as highways into the mining districts. We cannot overlook the fact that the mines will not be developed without roads. Railways cannot reach every portion of that country, so that you will see a considerable vote is taken for mining roads, and we are encouraged to do that by the very satisfactory development of our mining districts. I would not be surprised if before five years go by we will have to double or treble the grants for mining roads; in fact we have had to refuse applications for many years that we are asked for, because in some respects mining ventures are largely speculative, and unless there is some certainty that the mines will be productive the money invested in roads will be lost. But the tendency is towards increased expenditure in that way, and the reasonableness of this will be seen in the fact that our mining products are increasing very fast. Last year we produced of nickel 5,945 tons, valued at \$2,210,961; of copper 4,932 tons, valued at \$686,043; of iron ore 359,286 tons, valued at \$518,445; of pig iron 112,667 tons, valued at \$1,683,051; and steel, 68,802 tons, valued at \$1,610,931; in all a total value of these metals, nickel, copper, iron and steel of \$6,709,431. Any reasonable facility that can be afforded to extend the production of these valuable minerals ought to be afforded, and is within the duty of this House. One of our great objects in subsidizing the Canadian Northern—and that road has received about a million and a half in subsidies—was to open the mining region of the great Atik-Okan range, as well as to get into the fertile belt of the Rainy River Valley. There is an area here of incalculable value which will be developed. Similarly with the railway projected to the north of Sudbury and not yet begun. What the products of these mineral districts will be is hard to anticipate, hard to realize. Besides the iron, nickel and copper, there are gold and zinc and

corundum, all of more or less value to the country, and all awaiting such development as we can afford to give to them. In 1896 we set apart the sum of \$125,000 as a bounty on the smelting of iron. We paid out last year bounties amounting to \$25,000. That bounty will exhaust itself in the course of the next four years. We have already paid \$85,000 as an incentive to the production of iron, and you have seen its result in the figures I read a moment ago. Forty thousand dollars more remains to be paid. Of course that bounty will be discontinued; it will be no longer required. But it shows what a little assistance may accomplish in producing satisfactory results (hear, hear).

Then we have, besides the development of our mineral resources, the Mining School at Kingston, supported by an annual grant of \$22,500 and in order to give security, shall I say, scientific certainty to the mining operations of the country, we added to the staff of the Bureau of Mines, a skilled geologist at a salary of \$3,600. Full particulars of his work will be found in the report of Mining Department. Professor Coleman has been engaged for many years in exploration in Northern Ontario. We have only touched the fringe of this work practically, but the prospects are that there will be at an early day a very distinct development of the mining wealth of this country.

I next come to a matter of more local character. It may be remembered that for several years we had a sum in the estimates for the establishment of a Reformatory in the County of Oxford. It is proposed now to change that and instead of making it a Reformatory—they need no Reformatory in Oxford—(laughter)—

Mr. Foy (South Toronto)—The Hon. gentleman is speaking now of North Oxford.

Mr. Ross—I am not sure but a Reformatory is needed in South Toronto (laughter). Yes, it is proposed to change our system of Reformatories and I hope Hon. Gentlemen will concur in what is intended. For many years—I cannot tell how many—thirty or more, we have had a Reformatory at Penetanguishene. In the first place it was a penal institution particularly. Gradually it has been changed from a penal institution to a Reformatory proper, or as nearly as may be made such. Then, under the leadership of the late W. H. Howland we established an Industrial School at Mimico,

and changed entirely our mode of treating young incorrigibles. The Mimico School was a boy's school. The women of Toronto took up the cause of the girls and established the Alexandra School at East Toronto. The Roman Catholics very generously took up the case of their own people and established the Blantyre School. Out of the estate of the late Andrew Mercer a Refuge for Girls was established in the western part of the city. We have therefore five institutions for the reform of boys and girls, and for their education in all of them except at Penetanguishene, and to a certain extent even there boys and girls are under practically little or no restraint. Owing to the establishment of shelters, owing to the working of the act introduced by the Attorney-General for Neglected and Dependent Children, the supply of material for these Reformatories has been gradually shrinking. Through that department 2,200 boys and girls have been sent to foster homes, and the effect of that will be apparent in a moment, as many of them come from homes in which, if they had remained there, they would grow up to be criminals; homes that never were suitable homes for any body. That cut off the supply of the Reformatory at Penetanguishene, and also affected the supply of material for the school at Mimico. A few years ago there were over 200 boys at Penetanguishene. We are taking a vote this year for 112 boys. When the estimates were under consideration that was about the number in attendance. I was told to-day by the Superintendent of Neglected Children (Mr. Kelso) that the number is down to 95 and steadily decreasing. We have got to the position where we can very properly divide the boys at Penetanguishene between the Industrial School at Mimico, the Roman Catholic School at Blantyre, and in the case of the older boys establish a department in the Central Prison where they will receive special instruction, and where their moral and intellectual condition will be improved. That will enable us to close the Penetanguishene institution as a Reformatory. We would then have the Mimico Industrial School, the attendance in which is 160. Twenty or thirty of these can very well be placed in foster homes, making room for the contingent that will come from Penetanguishene. The school will accommodate 180 as soon as this matter can be adjusted. Then we will have the building at Penetanguishene, which can be used as an

overflow for the aged and harmless lunatics of our different asylums, just as we are using Cobourg at present for the women who are quite harmless, easily managed and require little medical attendance. In working out that scheme we are obviating any necessity for increased asylum accommodation for many years to come. I believe at least 200 patients can be accommodated at Penetanguishene.

Having provided in this way for the overflow from the asylums, the next matter to which we gave our attention was how to meet the needs of the class known as epileptics, not proper subjects for an asylum, not insane in the early stages of the disease and not proper subjects for the lunatic asylums. We thought therefore that we would establish such an institution in Oxford instead of the Reformatory originally proposed. This it is intended to do upon the cottage plan ; perhaps I should not say the most economical but the most improved method of caring for the insane or any other class dependent upon public charity. The plan will be to build a central administration building, with a cottage on one side for the men, and on the other for the women, and increase them as the public interests require. In 1894 there were 292 epileptics in Ontario. In 1899 there were 339. I understand from the Superintendent of Asylums that he believes the number now is 390. For a moderate sum of money they can be cared for much better than they now are in the asylum. We propose purchasing 100 or 200 acres of land on which suitable buildings will be erected, and thus place Ontario at the head of all the political divisions on this continent in regard to accommodation for its insane or for its delinquents.

Under miscellaneous items it will be seen that we are asking a small vote for exploring for coal. Some will say this is a wild goose chase. Perhaps it is, but explorers such as Prof. Bell, and others who have gone up the Moose River, have found at the confluence of the Pigeon River with the Moose great stratifications of lignite, which suggest the possible presence of coal. Geologists differ as to the probability of coal deposits on the northern side of the height of land ; still we cannot say. It was said there was no coal in the Northwest at one time, but we find immense bodies of coal, and any person travelling across the Rockies would not have

thought that the best coal in the world was to be found there. It is proposed to take a small sum, \$3000, by which a small party could be fitted out, with diamond drill and other appliances, and if it should turn out that there is coal in New Ontario, then the future development of this Province is assured beyond question. It is at all events worth spending a small sum of money, and we propose making that venture.

It is also proposed to make an effort to bring the current of farm laborers from the old world to Ontario where it is required, and for that purpose we are taking a vote of \$3000. The stream of immigration, I fear, will pass to the Northwest for some time to come. Old Ontario should be attractive to the farm laborers who are accustomed to some comforts of home, and we expect that we can so represent Old Ontario to the farmers of England as to secure a considerable number.

We are called upon this year to pay the first bonus for the establishment of the beet root sugar industry. Four factories were in operation last year. The results were not disappointing, but perhaps they did not quite meet the expectation of some who had invested their money in that enterprise. The factories were those of the Ontario Sugar Co., at Berlin; the Dresden Sugar Co.; the Wallaceburg Sugar Co.; and the Wiarton Beet Sugar Mfg. Co. These four have invested nearly \$2,000,000 in that enterprise. They employ a large amount of labor on the farms, and also probably spent, say, \$300,000 or \$400,000 in wages and supplies; a considerable sum of money to be applied in a new direction. They are sufficiently encouraged to apply themselves with greater energy to this enterprise this year than last year, and from conversation with the president of the largest of these companies I understand that the expectations for this year are reasonably encouraging. The Ontario Sugar Co. produced last year 6,063,926 pounds of sugar; the Dresden Co. 3,763,987 pounds of sugar; the Wallaceburg Co. 3,606,604 pounds; and the Wiarton Co. 1,565,000 pounds, making in all within about 480 pounds off fifteen million pounds, the exact amount being 14,999,517 pounds. It is a considerable quantity, although it goes but a short way to supply the consumption of this province. That at a half-cent a pound will draw this year of the full amount to which they are entitled under

the statute, and that is \$74,997.58. I do not think that is too much to pay, having regard to the possible future of this industry. One of the great difficulties was the scarcity of labor last year. Climatic conditions were also unfavorable, particularly at Wallaceburg. At the Berlin factory work was not opened in time to make the best of the products supplied, but from present indications I believe this year will be a more prosperous year than the last, and if we have succeeded in securing a profitable investment of \$2,000,000 in this enterprise, and have brought into utility 30,000 acres of land for a new phase of agriculture, then we will have done a good deal to add to the wealth of the province.

As hon. gentlemen are aware, the House has passed an Act providing for the construction of the Temiskaming and Northern Ontario Railway. The construction of that railway was placed under contract last year. The entire length of the road is 110 miles, and a contract was let for 56 miles. The estimates of the engineer for the construction of the first 56 miles was \$21,000 a mile. From twelve to fifteen hundred men are now employed on the work, and it is expected before long that the rails will be laid to the north-east arm of Lake Temagami or nearly to Montreal River. A great deal of care was taken in the surveys, and two different routes were projected, one to the west being the old route of the Hudson Bay Railway, and the other to the east. The chief difficulty was crossing the height of land which rises 636 feet above Lake Nipissing. The easiest route was found to the east. It is six miles longer than the route to the west, but after careful investigation by expert surveyors in addition to the survey of Mr. Russell who located the road, we ultimately agreed upon that line. The first fifty or sixty miles will be completed this year, and by a year from next autumn rails will be laid to New Liskeard, and trains will be running over the entire road. What the ultimate result of this venture will be one cannot say. Various schemes are projected for a railway through the clay belt from the head of Lake Nipissing westerly to Winnipeg and easterly to Quebec. The Canadian Northern has one scheme and the Grand Trunk Pacific has another. It will be very much in the interests of Ontario if either of these companies would enter upon the vigorous construction of a road from the eastern to the western boundary

of Ontario, 560 miles. Such a road would traverse the clay belt, containing 16,000,000 acres of good land, thence north of Lake Nepigon, west to Rat Portage and to Winnipeg, and would open up whatever is valuable for agricultural settlement and mining not yet known.

I have now to refer to the defalcations of Alfred McDougall first discovered last summer. The earliest distinct statement we have as to any defalcation is in 1896. Let me give the history of the case. I think Mr. McDougall was appointed in 1892; he was a lawyer of good standing and quite trustworthy, and entered upon the duties of his office with the confidence of the Government and of the public. I think, however, that during a good part of his life he was in financial difficulties and so far forgot himself as to use money going through his hands for his own private use. It came about in this way: Having been a solicitor in practice he was accustomed to receive cheques payable to his own order. When cheques came to his office as solicitor for the Treasury, they were also in some cases made payable to his own order, and that assisted in the defalcation which afterwards was discovered. In the report of the Royal Commission it was said that the monies received by public officers are paid over directly to the Treasury Department, which is true as to money paid to the order of the Treasury Department, but money payable to his own order would not be made known to the Treasury Department but charged to his own bank account, which could not be discovered. This went on from time to time until the sum of \$27,919.71 was found to have been lost—not entirely lost, but misplaced. Of course everyone, having regard to his high standing, will regret this, and the Treasury Department will regret it as the loss of money to which it was rightly entitled. As soon as discovery was made, and the methods by which it was accomplished were known, orders were given to the various clerks of the Surrogate Court to report in duplicate every will prepared, so that a check can be had on the solicitor; that is to say, a copy is sent to the solicitor and another is sent to the Treasurer himself, which is handed to the Assistant Treasurer. The one is a check upon the other, and I think it will be very difficult in future for any defalcation to arise. Of course the defaulter has ways that probably are past finding out, of

appropriating what does not belong to him, whether it is cracking a safe at night or falsifying vouchers in a bank book; if he is bound to commit a crime he will find a way. We have protected ourselves by a substantial bond, and that is all the protection possible. All the precautions that a good bank would take have been taken in this case.

Mr. Foy: Since when?

Mr. Ross: Since the irregularity was known.

Mr. Fox: There was a bond before?

Mr. Ross: Yes, but put on a very short time before the defalcation was discovered. We have certain securities, however, on which, perhaps, we may not realize much, which were placed in our hands to make good the loss. Mr. McDougall assigned for our use and benefit the equities of certain properties in Rosedale. He has assigned to us life insurance policies amounting to \$20,000 on which only one or two payments have been made. Then we have a bond for \$5,000. There will be some loss, no doubt; how much we cannot say at present.

Finding that the bonds of a guarantee company was the easiest way of securing adequate protection for the Treasury Department, we entered into an agreement with the guarantee company to accept fidelity bonds for the whole public service, all the service at least, that handles money, and, as the report of the officer shows, these companies are now carrying \$851,000 in bonds for public officers. We feel that every possible precaution should be taken against loss to the treasury, and officers that for thirty or forty years have never given a guarantee were asked to give a guarantee, in case where least expected some accident might occur.

Mr. MATHESON: Does the Province pay that?

Mr. Ross: In cases where the salary is under \$800 the Province pays the premium; where the salary is from \$800 to \$1,500 the Province pays half. Over \$1,500 the person bonded pays all. The fee is very light, 30c. a hundred, and in that way we feel we are doing our duty thoroughly by the public service. Registrars and sheriffs were almost entirely under personal security, but now their bonds are carried by the guarantee companies.

A word as to the assets of the Province, and I have done. The assets of the Province stand to-day at \$7,824,208, and the liabilities at \$5,884,946, or a clear surplus over all liabilities of \$1,939,262. This is the surplus of the Province of Ontario after all her liabilities are discharged. We have added to our liabilities last year notably in the case of railway certificates \$561,962. That is the largest individual liability. We feel that after all, that is more of an asset than a liability, as hon. gentlemen will admit. It is a somewhat peculiar thing that every dollar of money that we receive from the Crown Lands Department can be accounted for as invested in capital of another kind. For instance; we invested half a million in railway development; we invested last year in public works and buildings \$479,132. The charges on Crown Lands amounted to \$227,170, and the civil service \$70,000 more. These items all added together amount to \$1,338,000, whereas the revenue from the woods and forests amounted to \$1,330,000. I mention this as showing that we have received \$1,330,000 from woods and forests, while we have within the year invested that amount in assets which are really much more valuable than the timber. We are using our timber for the construction of railways for the development of the country. We are using the proceeds of the timber for the erection of buildings and asylums, hospitals and normal schools, etc., and in that way we are adding to permanent capital for the improvement of the country.

Mr. MATHESON: I notice the amount of the liabilities is dated 31st December, 1902. In connection with the debts to the Dominion, does that include the awards in connection with the Common School Fund?

Mr. Ross: We have nearly closed now all the points in dispute with the Dominion; the arbitrators have practically closed their labors. There is now going on an examination in the Crown Lands Department of the receipts from the common schools and other lands in which the Province is interested. As soon as this is completed, all the other questions being settled, we will know to a dollar what our liabilities are to the Dominion, and how much we have to place to the credit of the Trust Fund in order to discharge

our full obligations for these lands, and I understand that the sum of \$1,805,000 is as near as we can ascertain it.

Mr. MATHESON : Does that include all our liabilities ?

Mr. ROSS : We estimate that that includes all our liabilities.

Mr. MATHESON : It is only up to December, 1900.

Mr. ROSS : Whatever liability we expect to arise in the adjustment of accounts will amount to only a few thousand dollars. That brings us to the last vexed question which was in dispute between Ontario and the Dominion, namely, Treaty, No. 3. It was held by Ontario that Treaty No. 3 did not properly come under the Reference to the Arbitrators, and there was some correspondence in consequence with the Dominion as to whether it did or not. Our contention was that it did not, and we were anxious that that view should be held for this reason : The Dominion Arbitrators had the right to settle disputes without appeal, and we feared that the judgment might be against us, although we might have a good case, and in that event we wanted to go to the Judicial Committee of the Privy Council, so a proposal was made that that Treaty should be referred to the Exchequer Court. Argument will take place before the Exchequer Court, and if the decision is not satisfactory to Ontario there will be an appeal to the Supreme Court or to the Privy Council. That first step will be taken in the course of a very few days, and I am confident that it will be disposed of in a short time ; so that with the disposal of that and the adjustment of the accounts we will have concluded a dispute going on for 25 years, and know exactly our liability to the Dominion.

I have perhaps kept the House too long, but I was anxious that we should fully, frankly and clearly understand our financial position, understand our sources of revenue, and of all things understand the demands that are made upon this large Province in the direction of the expansion of our educational system, our agriculture and the settlement of the vast domain which may in years to come be the most valuable part of our heritage. As I said, in a former financial statement, we must be equal to the responsibilities of making the most of Ontario. Whatever can be done to give us skilful artisans must be done as far as our means will

allow ; whatever can be done by superior education or by a public school system to fit the masses for citizenship must be done generously and intelligently ; nor should we fear carping criticism, or criticism of any kind, so long as we are convinced that the means we are using will reach the end desired.

And then as to the development of the latent wealth of this country, which is pressing heavily upon us, and which will be regarded as of the first importance, whatever means may be necessary for that should be forthcoming. I believe the revenue of this year will be fully equal to the expenditure which I have proposed, and I believe the various directions in which that expenditure is proposed will help to make of Ontario a more comfortable Province to live in, will help to brighten our homes, will help to make transportation more agreeable and more delightful, and help to bring wealth out of the soil through the intelligence of those on whose behalf that money is expended, and that when we cross the height of land and open the great country beyond for settlement by railway and roads there will enter that country as thrifty and enterprising a population as have been settled in the south, and in this view I am sure that I will have the support of hon. gentlemen on both sides of the House, of the whole country. Canadians are not a feeble folk. They are marching steadily to prosperity at a rate that is perhaps something phenomenal. We are keeping pace with the most rapid growth of the most favored portions of the United States, and all that is wanted is that at every stage we show we fully realize our opportunities, making the goal of to-day the starting place of to-morrow. It is in this hope that I submit the estimates which I have the honor to bring before you. (Loud and long-continued applause.)

* ASSETS AND LIABILITIES OF THE PROVINCE OF ONTARIO,

DECEMBER 31st, 1902.

ASSETS.

1.—DIRECT INVESTMENTS :—

Drainage debentures	\$59,589 76	
Tile debenture coupons	89,756 60	
Municipal drainage assessments.....	16,043 37	
Sault Ste. Marie debentures.....	25,572 50	
		\$190,962 23

* On the basis fixed by the Royal Commission with respect to the Assets and Liabilities of the Province, adjusted to 31st December, 1900.

2.—FUNDS HELD BY THE DOMINION IN BEHALF OF
ONTARIO, UPON WHICH INTEREST AT THE
RATE OF FIVE PER CENT. PER ANNUM HAS
BEEN SETTLED AS PAYABLE TO THE PROVINCE
HALF-YEARLY :—

U. C. Grammar School Fund	\$312,769 04
U. C. Building Fund.....	1,472,391 41
Land Improvement Fund.....	124,685 18
Fund created under Act of 1884 .	2,848,289 52
	<hr/>
	\$4,758,135 15

Common School Fund held by the
Dominion on behalf of the Pro-
vinces of Ontario and Quebec
upon which interest at the rate
of five per cent. per annum is
payable, divisible as between the
Provinces in ratio of last decen-
nial census \$2,562,116 36

Upon basis of 1901 census, Ontario's share being

 1,459,600 85 6,217,736 00

3.—BANK BALANCES :—

Current Accounts.....	\$187,779 49
Special Deposits bearing Interest.....	1,227,731 25
	<hr/>
	1,415,510 74

LIABILITIES.

\$7,824,208 97

1.—Balance of Account current with the Dominion
from Confederation to date, including Common
School Fund and other Transfers, capitaliza-
tion of the Bounty of the Crown under tribal
treaties assumed by the Dominion, the capital
having been apportioned to the Provinces
under various awards with interest upon the
said account current, and including interest as
between Ontario and Quebec, as finally ad-
justed..... \$1,807,986 49

2.—RAILWAY CERTIFICATES—PRESENT VALUE..... \$2,290,122 25
ANNUITIES “ “ “ 1,782,631 29

 4,072,753 54

3.—Common School Fund Collections by Ontario,
from 1st aJnuary, 1902, payable to the Do-
minion, in trust for both Provinces..... \$9,774 33
Less Ontario's share upon basis of last census .. 5,568 18

 4,206 15

Total..... \$5,884,946 18

Surplus of Assets, after deducting Liabilities..... \$1,939,262 79

RECEIPTS AND EXPENDITURE, 1902.

RECEIPTS.

Balance in Banks Jan. 1st, 1902, Current account.....	\$175,561 74	
Special account.....	1,292,931 25	
		<hr/> \$1,468,492 99
Subsidy	\$1,116,872 80	
Specific grant	80,000 00	
		<hr/> \$1,196,872 80
Interest on Capital held, and Debts due by the Dominion to Ontario.....	\$142,414 48	
Interest on Investments.....	53,404 52	
		<hr/> 195,819 00
Crown Lands Department :—		
Crown Lands	\$77,969 18	
Rent <i>re</i> Crown Lands.....	65,168 94	
Clergy lands	5,502 26	
Common School Lands.....	12,931 31	
Grammar School Lands.....	1,100 20	
University Lands	2,014 76	
Woods and Forests.....	1,331,352 10	
Mining Licenses.....	2,742 00	
Assay Fees	1,736 38	
Miscellaneous	1,001 10	
		<hr/> 1,501,518 23
Algoma Taxes	3,770 66	
Law Stamps	54,177 70	
Licenses.....	371,908 24	
Education Department.....	64,141 74	
Secretary's Department	108,184 91	
Fisheries Department	40,140 70	
Supplementary Revenue Act (62 and 63 Vic.)...	245,976 00	
Succession Duties.....	236,169 54	
Sale of Lands at Toronto Asylum.....	3,000 00	
Public Institutions Revenue :—		
Toronto Lunatic Asylum.....	\$39,980 86	
Mimico “	8,504 16	
London “	15,380 50	
Hamilton “	14,763 97	
Kingston “	6,665 82	
Brockville “	8,079 85	
Orillia “	4,694 67	
Cobourg “	493 71	
		<hr/>
Carried forward.....		

RECEIPTS.—*Concluded.*

<i>Brought forward</i>		
Public Institutions Revenue :—		
Reformatory for Females.....	2,188	37
“ Boys	467	50
Blind Institute.....	525	01
Deaf and Dumb Institute.....	110	71
Central Prison Industries.....	21,000	00
		<hr/>
		122,855 13
Casual Revenue :—		
Fines, etc.....	\$6,809	12
Insurance Companies' Fees.....	18,915	88
Loan Companies—Fees.....	9,914	87
Public Officers' Surplus Fees	15,960	57
Shooting Licenses, etc.....	17,178	37
Circus Licenses	2,591	00
Official Gazette	9,172	21
Private Bills.....	8,846	80
Statutes, etc.....	1,060	59
York Co. Land Titles' Office Exp.	216	83
Refunds	9,931	10
Incidentals	15	05
Removal of patients to Asylum .	4,418	38
Chinese Immigration Tax.....	525	00
Deposited to meet claims against Irondale, Bancroft and Ottawa.	4,394	55
		<hr/>
		109,950 32
Drainage Works Assessment ..		3,999 67
		<hr/>
		\$4,258,484 64
Drainage Debentures		17,413 06
“ “ (Tile).....		10,148 21
Public Buildings Cap. Account (Refunds)		5,037 00
		<hr/>
Total Receipts		\$4,291,082 91
Stationery Account, Excess of Distribution over Purchase		938 42
		<hr/>
		<u>\$5,760,514 32</u>

EXPENDITURE.

Civil Government	\$285,203 42
Legislation	140,771 60
Administration of Justice	432,753 54
Education	804,909 15
Public Institutions Maintenance	864,398 93
Immigration	4,777 25
Agriculture	234,339 82
	<hr/>
<i>Carried forward</i>	

EXPENDITURE.—*Concluded.*

<i>Brought forward</i>		
Hospitals and Charities	215,521	84
Repairs and Maintenance.....	91,293	18
Public Buildings	198,276	59
Public Works.....	64,609	94
Colonization Roads.....	196,246	07
Charges Crown Lands.....	227,070	05
Refunds.....	25,240	33
Miscellaneous.....	279,251	71
	<hr/>	
	\$4,064,663	42
Drainage Debentures Purchased.....	925	12
“ “ (Tile) “	700	00
Railway Aid Certificates.....	126,177	11
Annuity	102,900	00
University of Toronto, 1 Edw. VII, sec. 16, c. 41.....	40,444	75
Common School Lands	9,193	18
	<hr/>	
Total Expenditure.....		\$4,345,003 58
Balance in Banks Dec. 31st, 1902, Current Account.....	\$187,779	49
Special.....	1,227,731	25
	<hr/>	
		1,415,510 74
		<hr/>
		\$5,760,514 32
		<hr/>

C. H. SPROULE,

*Provincial Auditor.*ESTIMATED RECEIPTS, 1903, INCLUDING CASH BALANCES ON
HAND 31ST DECEMBER, 1902.

Subsidy	\$1,196,872	80
Interest on Capital held, and debts due by the Dominion to Ontario.....	\$235,000	00
Interest on Investments.....	50,000	00
	<hr/>	
		285,000 00
CROWN LANDS DEPARTMENT :—		
Crown Lands.....	132,000	00
Clergy Lands.....	4,000	00
Common School Lands.....	12,000	00
Grammar School Lands.....	2,000	00
Woods and Forests.....	1,350,000	00
	<hr/>	
		1,500,000 00
PUBLIC INSTITUTIONS :—		
Toronto Lunatic Asylum.....	\$40,000	00
London “	15,500	00
	<hr/>	
<i>Carried forward</i>		

ESTIMATED RECEIPTS.—*Concluded.**Brought forward*.....

PUBLIC INSTITUTIONS :—

Kingston Lunatic Asylum.....	6,500 00	
Hamilton “.....	14,500 00	
Mimico “.....	8,500 00	
Brockville “.....	8,000 00	
Cobourg “.....	500 00	
Orillia “.....	5,000 00	
Reformatory for Females.....	2,000 00	
“ Boys.....	500 00	
Blind Institute.....	500 00	
Deaf and Dumb Institute.....	500 00	
Central Prison Industries.....	23,000 00	
		125,000 00
Education Department.....	65,000 00	
Provincial Secretary's Department.....	100,000 00	
Casual Revenue.....	100,000 00	
Succession Duties.....	300,000 00	
Supplementary Revenue Tax (62 and 63 Vic.).....	245,000 00	
Tavern and Brewers' Licenses.....	375,000 00	
Law Stamps.....	55,000 00	
Algoma Taxes.....	2,500 00	
Fisheries.....	45,000 00	
Assessment, Drainage Works.....	5,000 00	
Removal of Patients.....	4,000 00	
Total Estimated Receipts.....		\$4,403,372 80
Cash Balances 31st December, 1902.....		1,415,510 74
Total.....		<u>\$5,818,883 54</u>

ESTIMATED EXPENDITURE, 1903.

Civil Government.....	\$326,443 00	
Legislation.....	139,350 00	
Administration of Justice.....	465,655 99	
Education.....	922,241 05	
Public Institutions Maintenance.....	920,915 00	
Colonization and Immigration.....	14,325 00	
Agriculture.....	282,920 00	
Hospitals and Charities.....	225,647 88	
Repairs and Maintenance.....	52,750 00	
Public Buildings.....	463,201 00	
Public Works.....	88,597 00	
Colonization Roads.....	145,450 00	
Charges Crown Lands.....	258,175 00	
Refunds.....	40,105 19	
Miscellaneous.....	191,652 75	
		<u>\$4,537,428 86</u>

**Statement showing amounts payable annually for certificates issued
by the Treasurer of the Province of Ontario for "Aid to
Railways" and "Annuities."**

Year.	Railway Aid Certificates.	Annuities.	Year.	Railway Aid Certificates.	Annuities.
1903	\$113,672 65	\$102,900 00	<i>For'd</i>	\$2,378,819 85	\$2,160,900 00
1904	113,257 36	102,900 00	1924	113,257 36	96,200 00
1905	113,257 36	102,900 00	1925	113,257 36	82,500 00
1906	113,257 36	102,900 00	1926	113,257 36	69,350 00
1907	113,257 36	102,900 00	1927	113,257 36	56,950 00
1908	113,257 36	102,900 00	1928	113,257 36	50,700 00
1909	113,257 36	102,900 00	1929	113,257 36	50,700 00
1910	113,257 36	102,900 00	1930	112,557 76	50,700 00
1911	113,257 36	102,900 00	1931	109,059 76	43,700 00
1912	113,257 36	102,900 00	1932	102,063 76	32,700 00
1913	113,257 36	102,900 00	1933	99,265 36	28,700 00
1914	113,257 36	102,900 00	1934	97,166 56	28,700 00
1915	113,257 36	102,900 00	1935	85,273 36	24,700 00
1916	113,257 36	102,900 00	1936	79,234 83	16,700 00
1917	113,257 36	102,900 00	1937	68,604 62	9,200 00
1918	113,257 36	102,900 00	1938	65,106 62	2,850 00
1919	113,257 36	102,900 00	1939	60,267 17
1920	113,257 36	102,900 00	1940	56,383 84
1921	113,257 36	102,900 00	1941	42,088 57
1922	113,257 36	102,900 00	1942	5,963 22
1923	113,257 36	102,900 00
<i>For'd</i>	\$2,378,819 85	\$2,160,900 00	Total	\$4,041,399 44	\$2,805,250 00

NOTE.—Present value of Railway Certificates (interest $1\frac{1}{2}$ per cent. half yearly), \$2,290,122 25
 " " Annuities " $1\frac{1}{2}$ " " " 1,782,631 29

PROVINCIAL AUDITOR'S OFFICE,
 Toronto, January 9th, 1903.

C. H. SPROULE,
Provincial Auditor.

